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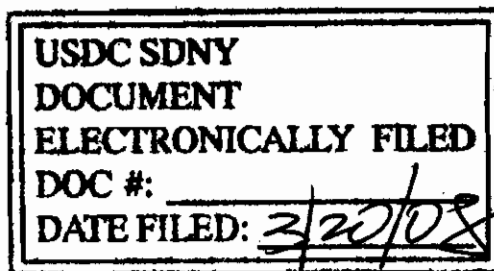
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PLEASE REPLY TO WEST ORANGE

March 18, 2008

**Via Federal Express**

Hon. Richard J. Sullivan, U.S.D.J.  
United States Courthouse  
500 Pearl Street - Room 615  
New York, NY 10007

**Re: Greenwich Insurance Co. v. United States - 07-CV-7321 (RJS)**  
**St. Paul Mercury Insurance Co. v. United States - 07-CV-7435 (RJS)**  
**Centennial Insurance Co. v. United States - 08-CV-0050 (RJS)**

Dear Judge Sullivan:

We represent Greenwich Insurance Company, the plaintiff in the first of the three above-referenced matters. I write on behalf of all counsel in the three cases to request an adjournment of the Initial Pre-Trial Conference that is scheduled to be held on March 27, 2008 at 10 a.m..

The three cases, which have not been consolidated but are all related, were filed by three different surety companies, each of which issued surety bonds on behalf of NAP Construction Co., Inc. in connection with contracts between NAP and the New York City Housing Authority. The Internal Revenue Service filed a levy, since amended, with NYCHA to restrain payment of funds due NAP under its contracts due to NAP's alleged failure to remit payroll taxes. The Sureties, each of which has received claims under the bonds they issued on behalf of NAP and

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some of which have already incurred losses, filed their lawsuits to vacate the IRS' levy, with each of the Sureties setting forth various theories under which each Surety contends it has a priority position vis-à-vis the IRS.

Counsel for the parties, as well as counsel for NAP, have met on two occasions, most recently on Friday, March 14, 2008, and a significant amount of documentary discovery has already been exchanged. One of the primary issues to be resolved is the amount of unpaid withholding taxes due from NAP and, more importantly with respect to the Sureties, to what extent the global arrearages accrued on a project-by-project basis. As a general matter, the IRS agrees with the Sureties that the status of the IRS as a beneficiary under Article 3-A of the New York Lien Law is to be assessed on a project-by-project basis. As such, the amounts due the IRS, as an Article 3-A beneficiary, must be determined by analyzing each specific project.

Additional analysis of the records maintained by NAP, as well as records recently provided, is under way. It is the parties' hope and expectation that upon completion of this review, they will begin negotiations expeditiously to seek to reach a settlement. Furthermore, the discovery that would be necessitated and set forth in any schedule that may be issued by the Court is already under way.

Accordingly, the parties hereby request an adjournment of the initial conference to a date convenient to the Court in late April or early May. This request constitutes the parties' third request for an adjournment. Previous requests were granted by Your Honor pursuant to orders dated December 7, 2007 and February 13, 2008; the most recent request was granted in response to the January 7, 2008 letter submitted by counsel for the IRS due to the fact that the action commenced by Centennial had been assigned to Judge Koeltl, and an adjournment was needed so that the case could be reassigned to you, which has occurred. As no scheduling order has been entered in the cases, granting this request will not require adjustment of other deadlines.

We thank the Court for its consideration of this request.

Respectfully,

  
 JONATHAN BONDY

JB/oc

cc: Li Yu, Esq. (via e-mail only)  
 John Hamilton, Esq. (via e-mail only)  
 Steve Weinberg, Esq. (via e-mail only)

*The parties' third request for an adjournment of the initial conference in these actions is DENIED. The parties shall appear on March 27, 2008 as previously scheduled!*

SO ORDERED

Date

3/19/08

  
 RICHARD J. SULLIVAN  
 U.S.D.J.